

MODIFICATIONS TO MILITARY INCOME TAX

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ann Millner

House Sponsor: _____

LONG TITLE

General Description:

This bill enacts a military member income tax credit.

Highlighted Provisions:

This bill:

▶ enacts a nonrefundable income tax credit for certain members of the armed forces who are deployed on active military duty outside of the United States.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

ENACTS:

59-10-1046, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-10-1046** is enacted to read:

59-10-1046. Nonrefundable tax credit for active duty military member.

(1) As used in this section:

(a) "Military pay" means compensation that relates to service in the armed forces.

(b) "Qualifying claimant" means a resident individual who:



28 (i) is deployed on active military duty for at least 300 consecutive days of the taxable
29 year outside of a state of the United States, the District of Columbia, or a possession of the
30 United States; and

31 (ii) does not have a spouse or dependent residing within a state of the United States, the
32 District of Columbia, or a possession of the United States.

33 (2) A qualifying claimant who receives military pay may claim a nonrefundable tax
34 credit equal to the product of:

35 (a) the percentage listed in Subsection [59-10-104\(2\)](#); and

36 (b) the amount of military pay that is included in adjusted gross income on the
37 qualifying claimant's federal income tax return for the taxable year.

38 (3) A qualifying claimant may not carry forward or carry back the amount of a tax
39 credit that exceeds the qualifying claimant's tax liability for the taxable year.

40 Section 2. **Effective date.**

41 This bill takes effect for a taxable year beginning on or after January 1, 2024.